

HOUSE BILL REPORT

HB 1372

As Passed House:

February 20, 2025

Title: An act relating to modifying joint legislative audit and review committee studies by extending the sunset act, allowing the extension of timelines for conducting studies, and removing barriers to continuing the sustainable harvest study.

Brief Description: Modifying provisions on joint legislative audit and review committee studies.

Sponsors: Representatives Orcutt, Pollet, Klicker and Ley.

Brief History:

Committee Activity:

State Government & Tribal Relations: 1/21/25, 2/4/25 [DP].

Floor Activity:

Passed House: 2/20/25, 97-0.

Brief Summary of Bill

- Pushes the expiration date for the Sunset Act out 20 years to June 30, 2045.
- Requires that resources dedicated to program reviews are proportionate to the size and complexity of the program's budget.
- Requires the Joint Legislative Audit and Review Committee (JLARC) to consider, when developing its biennial work plan, whether a planned review that is part of a mandated, recurring study would provide the Legislature with new or additional information.
- Requires that JLARC review the Department of Natural Resource's upcoming sustainable harvest calculation for 2025-2034 regardless of pending litigation against the calculation.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

HOUSE COMMITTEE ON STATE GOVERNMENT & TRIBAL RELATIONS

Majority Report: Do pass. Signed by 7 members: Representatives Mena, Chair; Stearns, Vice Chair; Waters, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Chase, Doglio and Farivar.

Staff: Desiree Omli (786-7105).

Background:

The Joint Legislative Audit and Review Committee.

The Joint Legislative Audit and Review Committee (JLARC) is a statutorily created body consisting of eight members from the Senate and eight members from the House of Representatives, with no more than four members from each house from the same political party. The JLARC conducts a variety of analyses including performance audits, program evaluations, and sunset reviews.

At the end of each legislative session in an odd-numbered year, JLARC must develop and approve a performance audit work plan for the ensuing biennium. The work plan must include a description of each audit and its cost. When considering the work plan, JLARC must consider:

- whether a newly created or significantly altered program warrants continued oversight because of a significant fiscal impact or a high risk of not succeeding;
- whether implementation of the program has significantly failed to meet its goals and objectives;
- whether a follow-up audit would ensure that previous recommendations for improvements were implemented; and
- whether JLARC is required to do an audit by enacted legislation.

The Sunset Act.

The Sunset Act was enacted in 1977 to provide a system for the review of state entities scheduled for termination to determine whether they should be continued, modified, or terminated, and to establish a process to do so. It allows for an assessment of the effectiveness and performance of the program or agency. Any entity or program may be statutorily scheduled for sunset review and termination, after which JLARC is tasked with conducting a program and fiscal review of the entity. The entity must establish performance measures against which they are evaluated. Reports are prepared by JLARC during the year prior to termination. Affected entities are entitled to respond to the report. The Sunset Act is itself set to expire on June 30, 2025, but it may be extended by the Legislature for a fixed period of time.

The Sustainable Harvest Program.

The Washington Department of Natural Resources (DNR) is responsible for managing state-owned lands under its jurisdiction. State law directs the DNR to manage lands that are

valuable for forest crops in such a manner that the forest can continue to be harvested on a continuing basis without major prolonged curtailment or cessation. To do so, the DNR is required to calculate a sustainable harvest level, i.e., an amount of timber scheduled for sale in a decade that will allow for sustained logging. The sustainable harvest level must be approved by the Board of Natural Resources.

The JLARC is required to oversee and conduct an independent review of the DNR's methodologies and data prior to the sustainable harvest calculation for 2025-2034. However, JLARC is not required to do so if there is litigation pending or in progress against the DNR's sustainable harvest calculation.

Summary of Bill:

The expiration date for the Sunset Act is pushed back 20 years to June 30, 2045.

When conducting program and fiscal reviews under the Sunset Act, JLARC must allocate staff resources and associated costs in a manner that is proportionate to the size and complexity of the program's budget.

When developing its biennial work plan, JLARC must also consider whether a planned review that is part of a mandated, recurring study would provide the Legislature with new or additional information.

The provision that JLARC is not required to review the DNR's upcoming sustainable harvest calculation for 2025-2034 in the event of pending litigation is removed.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Sunset reviews are an important piece of the state's work but the current statute makes the program expire on June 30, 2025, if the Legislature does not renew it. The JLARC plans its work a few years out using a workplan. This bill is essential to helping JLARC establish the workplan and ensure that there is an even workload for the staff. There are about 19 studies due in the next several years, so the sunset review program needs to be extended so that JLARC can add these studies in its workplan to ensure there is sufficient staff to do the audits.

Moving on to the sustainable harvest calculation, it is critical to make sure that the DNR is

putting forth timber sales in a way that is sustainable over time. However, JLARC has not been able to do that because it cannot audit the sustainable harvest calculation or methods of calculation if there is pending litigation. There has been many lawsuits over the years which has prevented JLARC from doing this important audit. Allowing JLARC to audit these despite there being pending lawsuits will give valuable information that the state otherwise does not have.

The JLARC also needs flexibility in modifying its work plan as needed. Some programs require a study every five years but at times there are no changes within those five years to make a study valuable. Studies take a long time because you have to collect and analyze a lot of data; if it has gone unchanged then JLARC should have the flexibility to move a study to every 10 years so JLARC can adjust priorities as appropriate.

(Opposed) None.

Persons Testifying: Representative Ed Orcutt, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.